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**United States  
Department of  
Agriculture**



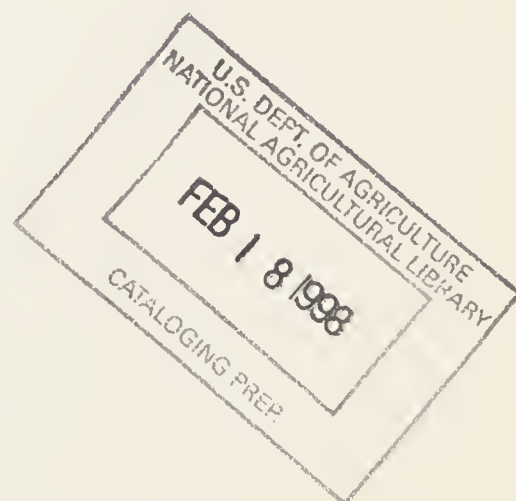
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UNITED STATES DEPARTMENT OF AGRICULTURE  
Commodity Credit Corporation

HONEY

REVIEW OF CCC AND SECTION 32 PROGRAMS  
1950 - 1954



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HONEY  
REVIEW OF CCC & SECTION 32 PROGRAMS  
1950 - 1954

Mandatory price support on honey became effective with the 1950 marketing season in accordance with the provisions of the Agricultural Act of 1949. The price support programs have been conducted through the facilities and funds of the Commodity Credit Corporation. At the same time, the Department has conducted several programs to increase the consumption of honey pursuant to the provisions of Section 32, Public Law 320, 74th Congress, approved August 24, 1935. The following is a brief review of the Honey programs conducted by the Department of Agriculture during the period since the passage of the Agricultural Act of 1949.

Commodity Credit Corporation

During the 1950 and 1951 program years, price support was extended through direct purchases from packers who were required to pay beekeepers not less than the applicable support prices. Starting with the 1952 marketing season, non-recourse loan and purchase agreement programs have been used to provide price support for honey. All of the honey acquired by CCC in its price support operations, except for small quantities of the 1950 and 1952 crop disposed of to commercial markets or for export, was sold to Section 32 outlets for donation to non-profit school lunch programs.

The following table presents a summary of activities as recorded in CCC's financial records:





	: Acquisitions :		:	: Sales Proceeds:		
Marketing or	Quantity :	:	Other :	Total :	and Other :	Net Gain
Crop Year	(lbs) :	Value :	Costs :	Cost :	Recoveries :	or Loss*
1950	: 7,362,816	:\$1,006,709	:\$16,090	:\$1,022,799:	\$ 1,021,171	:\$ 1,628*
1951	: 17,753,677	: 2,652,908	: 233	: 2,653,141:	2,653,415	: 274
1952	: 6,990,377	: 816,417	: 402,980	: 1,219,397:	1,232,989	: 13,592
1953	: 525,583	: 58,344	: 34,176	: 92,520:	86,833	: 5,687*

The gains and losses indicated above reflect the program results of CCC price support inventory transactions and do not include corporate overhead expenses which are not charged against individual commodity programs.

Since, as is noted above, most of the honey acquired by CCC was disposed of for use in Section 32 non-profit school lunch programs on a cost reimbursement basis to CCC, the cost to the Government of the CCC honey programs is reflected in the statement of Section 32 activities below.

### Section 32

Under the provisions of Section 32, Public Law 320, 74th Congress, the Secretary of Agriculture is authorized to (1) make direct purchases (including purchases from CCC for donation to non-profit school lunch programs) to encourage increased domestic consumption of agricultural commodities, (2) encourage export of agricultural commodities (3) increase utilization of agricultural commodities by diverting them from normal channels of trade and (4) reestablish farmers' purchasing power by making payments in connection with the normal production of any agricultural commodity for domestic consumption. The following tables indicate the costs of the Department's activities with respect to Honey in accomplishing the objectives of Section 32.

### Purchase and Donation Programs

The costs of honey purchases from CCC and donation to non-profit school lunch programs and other eligible outlets were as follows:



Marketing or  
Crop Year

1950	\$ 1,044,001
1951	2,916,283
1952	1,026,561
1953	90,892
TOTAL	\$ 5,077,737

Export Programs

The costs of payments made to encourage exportation of honey were as follows:

Marketing or  
Crop Year

1950	\$ 595,014
1951	638,224
1952	1,305,590
1953	930,600
1954	546,457
TOTAL	\$ 4,015,885

Diversion Programs

The costs of payments for diversion of honey from normal channels of trade were as follows:

Marketing or  
Crop Year

1950	\$ 2,003
1952	2,281
1953	5,599
1954	2,473
TOTAL	\$ 12,356

Summary of Costs to U.S.D.A.

The total cost to USDA in connection with honey programs during the five year period beginning with the 1950 marketing season is as follows:

Total Cost of Section 32 Programs	\$ 9,105,978
Less: Net Gain on CCC operations (exclusive of cost of financing and administrative expenses)	<u>6,551</u>
Net Costs of Honey Programs 1950-1954 as of 6/30/55	\$ <u>9,099,427</u>

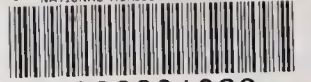
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